

Washington, D.C. - As the nation faces its worst economic downturn since World War II, Congresswoman Melissa Bean (IL-08) announced her support for the economic stimulus package, H.R. 1, the American Economic Recovery and Reinvestment Act, while continuing to work with her colleagues and Congressional leadership to strengthen the proposal. The bill already includes several measures pushed by Bean that target middle-class families, small businesses, and long term infrastructure improvements.

“We’ve lost 1 million jobs in the past two months – this is not a time for delay,” Bean said. “This proposal is a product of teamwork and compromise that ultimately does the right thing: it combines investment in infrastructure, education and green energy with relief for struggling small businesses and tax cuts for middle-class families to get our economy moving.”

Bean worked with her colleagues, Congressional leadership, and the incoming Obama Administration towards inclusion of the following legislative initiatives. The bill is expected to reach the House floor on Wednesday.

Small business debt restructuring: Congresswoman Bean chaired meetings in the Small Business Committee’s Subcommittee on Tax and Finance last year that revealed the severely adverse impacts that tightening credit markets have on small businesses, including reductions, layoffs, and closure. Bean has worked to expand the Small Business Administration’s 7a loan programs, which are currently used for expansion, but not restructuring debt. Providing business owners with access to affordable capital will help them better weather the recession and keep their employees on the payroll.

Job retention: To help businesses maintain cash flow and keep their employees on payroll, Bean and her New Dem colleagues pushed for a change to tax law that would allow businesses to retroactively spread out this year’s losses. Under present law, businesses with a net-operating loss this year may amend their tax filings to carry that loss back two years to offset taxable income in such years, so they can “smooth out” swings in business income. As Bean previously proposed in her 2008 GROW Act, H.R. 5107, and now in H.R. 1, an expansion of the carry back to five years would allow previously profitable businesses that are now suffering to maintain their staffing levels and invest more. H.R. 1 also includes a continuation of Bean’s 2008 GROW Act provision that temporarily doubles the Section 179 small business expense tax deduction, encouraging businesses to invest in equipment that can grow their business.

Stability in health coverage: With unemployment climbing at a dramatic pace, America faces a surge in the ranks of families without health insurance. Bean introduced the Health Insurance Stability Act, H.R. 7010 as part of the Democratic Middle Class Working Group last year to make bridge insurance more accessible to those who have lost their jobs and cannot afford to keep their COBRA coverage. COBRA monthly premiums average \$700 per family, and H.R. 1 will provide a 65 percent subsidy to offset these costs.

Energy infrastructure: As advocated by Bean and her colleagues on the New Democrat Coalition's Energy Task Force, H.R. 1 will invest in a modernized, "smart" power grid that would provide next-generation green jobs and is a necessary first step towards launching a larger green economy. Modernization of our power infrastructure will set the stage for stimulating private investment in wind, solar, geothermal and other renewable energy sources.

Bean also urged Congress and the Administration to include H.R. 3654 in the stimulus package to address entitlement reform. Last year she cosponsored the Securing America's Future Economy (SAFE) Commission Act to establish an independent, bipartisan commission to investigate reforms to our nation's entitlement programs and federal budgeting process. While H.R. 1 does not include these provisions, Congresswoman Bean was encouraged by President Obama's announced plans to convene a "fiscal responsibility summit" next month to tackle entitlement reform and other long-term fiscal issues before delivering his first budget to Congress.

The American Economic Recovery and Reinvestment Act would appropriate \$550 billion for transportation and infrastructure construction, investment in green energy and energy efficiency, health care modernization, education assistance, and assistance to states and municipalities, as well as \$275 billion in tax relief for businesses and families.

The bill includes new measures of accountability and transparency, including a ban on earmarks in the legislation, a dedicated website that will track every dollar of spending, increased funding for the Government Accountability Office, an independent oversight board, and quarterly reports to Congress.

The package is designed to have an immediate impact, with states required to start spending their transportation infrastructure funds within 180 days. Bean supports an amendment to the bill that will shorten that timeframe to 90 days to expedite stimulative impact.

"In the last year, unemployment in Illinois has climbed from 5.3 percent to 7.6 percent," Bean said. "This bold action is necessary to preserve and create jobs and spending."